









Industrial Hemp Research Program: Regulations Update



August 23, 2018

K.S.A. 2-3901, K.S.A. 2-3902, K.S.A. 2-3903

- Section 1 Definitions
- Section 2 The Meat of It All
 - The Department, alone or in coordination with a state educational institution, may cultivate industrial hemp grown from <u>certified seed</u> and promote the research and development of industrial hemp
 - The Secretary will create an advisory board to review and recommend applications for pilot projects and research proposals
 - The Department will oversee and license all individuals participating in the cultivation, growth, research, oversight, study, analysis, transportation, processing or distribution of certified seed or industrial hemp



K.S.A. 2-3901, K.S.A. 2-3902, K.S.A. 2-3903

- Section 2 The Meat of It All (continued)
 - The Department will require anyone seeking a license
 - To be fingerprinted
 - To submit to state and national criminal history record check
 - The Secretary will develop rules and regulations to carry out the provisions of the Alternative Crop Research Act on or before December 31, 2018
 - The Department will submit a report to the legislature outlining the steps and timeline to implement a process that would allow individuals and businesses to grow and process industrial hemp in Kansas and to sell it in other states by January 14, 2019
 - Nothing in the Alternative Crop Research Act will allow anyone to violate any state or federal law

K.S.A. 2-3901, K.S.A. 2-3902, K.S.A. 2-3903

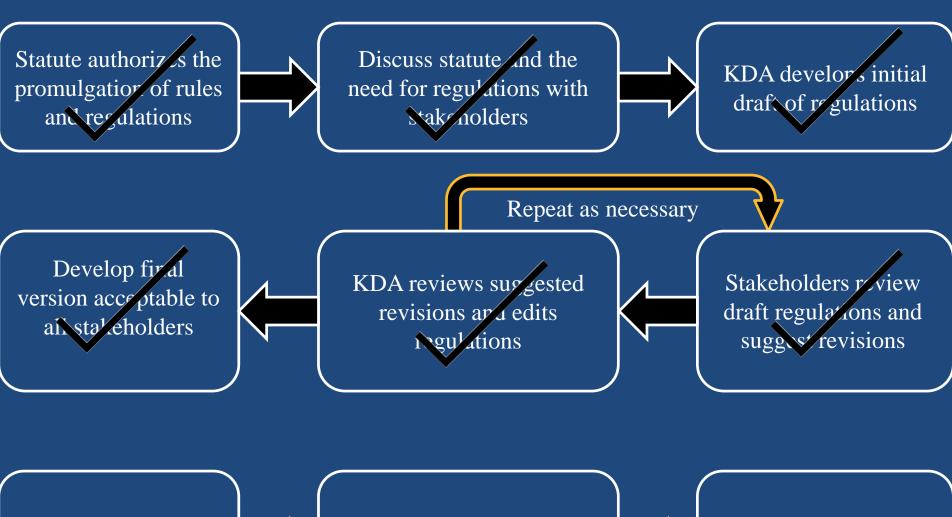
- Section 3 Administrative
 - The state treasury has created the Alternative Crop Research Act Licensing Fee
 Fund to be administered by the Secretary
 - Only the Secretary of Agriculture can spend money from the Alternative Crop Research Act Licensing Fee Fund
 - The fees collected under the Alternative Crop Research Act will be deposited in the Alternative Crop Research Act Licensing Fee Fund



Research as Outlined by K.S.A. 2-3901, K.S.A. 2-3902, K.S.A. 2-3903

- Oversight and analysis of industrial hemp (IH) research and analysis of soils, growing conditions and harvest methods for the production of varieties of IH suitable for commercial hemp products
- Analysis on the economic feasibility of developing an IH market in various types of IH that can be grown in Kansas
- Analysis on the value-added benefits, including environmental, that the state would reap by having Kansas-grown IH varieties
- A study on the worldwide agronomy research relating to IH varieties, production and utilization
- A study on the feasibility of attracting funding for IH research
- Pilot programs for economic development, research, cultivation, market analysis, manufacturing and transportation of IH and IH products

Developing Regulations

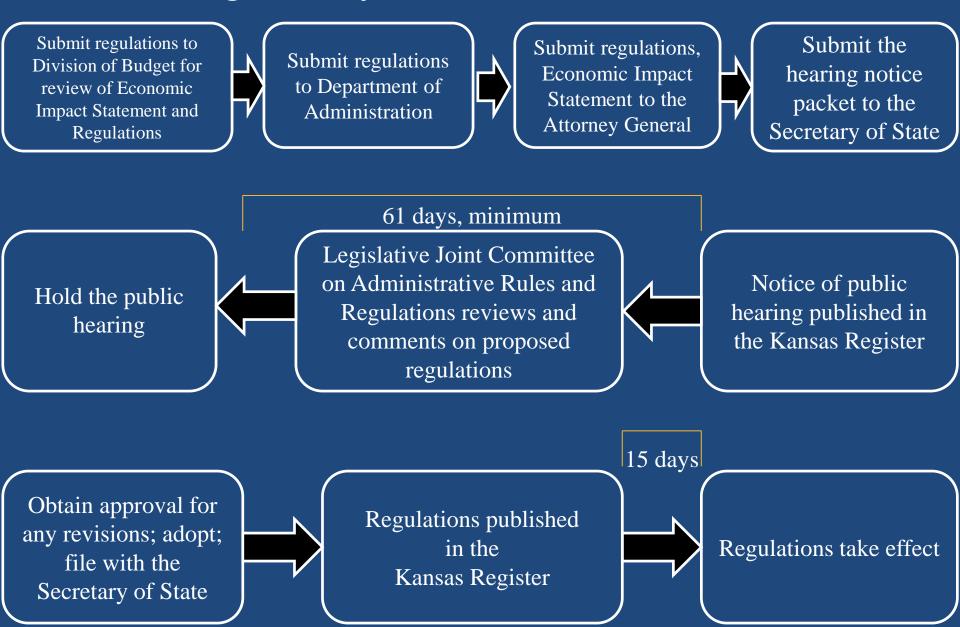


Follow Regulatory
Process

Regulations adopted and enforced

Review and revise as necessary

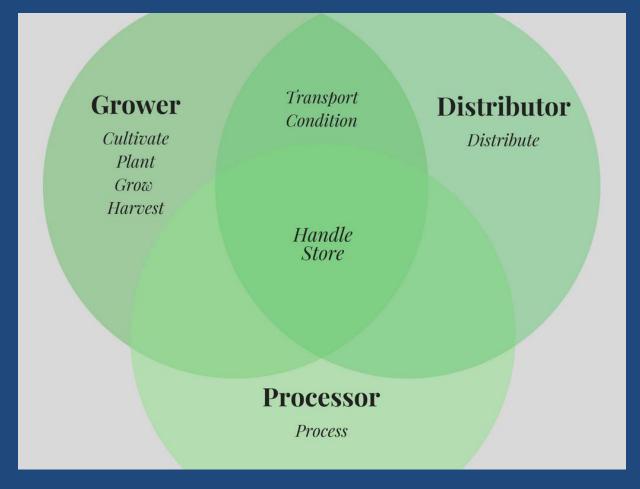
Kansas Regulatory Process



Regulations

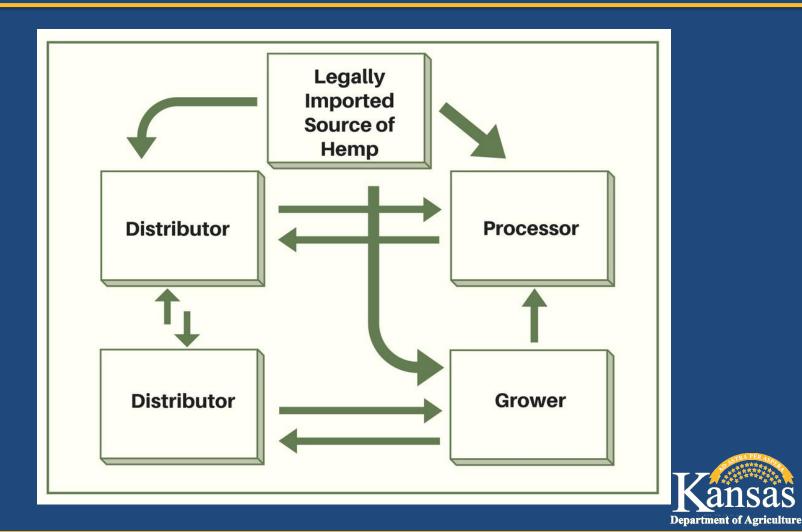
- As determined by the Secretary with input from stakeholders including the state advisory board May 11th public meeting, 4 Advisory Board meetings, and informal public comment period
 - License Approval Process
 - State Advisory Board
 - Requirements for Licensees
 - Grower
 - Distributor
 - Processor
 - Administrative License
 - State Education Institutions
 - Fee Schedule
 - Pre-Harvest Inspection, Sample Collection, Testing and Post-Testing Actions
 - Post-Harvest Inspection, Sample Collection, Testing and Post-Testing Actions
 - Reports

Activities Conducted by Licensees





Relationships Between Licensees



Regulations

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Research License Application Approval Process

- Submit completed research license application, including research proposal
 - All individuals participating
 - Maps identifying location
 - Acknowledgments of restrictions
 - SARE Technical Bulletin, How to Conduct Research on Your Farm.
- Submit to and pass the state and national criminal history record check
- Submit application fees
- Research license applications are reviewed by State Advisory Board and Secretary and are either denied or conditionally approved



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Available at: www.sare.org/research or order free hard copies at (301) 779-1007. January 2017



How to Conduct Research on Your Farm or Ranch

2ND EDITION

Introduction

hen Rich Bennett returned to the family farm in the 1970s to help his father, he faced some significant challenges. Poor soils and increasing fertilizer costs were straining the farm's bottom line. As a result, he began looking into new ways of farming that could improve his land and also improve the profitability of the business. Eventually, he succeeded: After experimenting with lower commercial fertilizer rates and incorporating cover crops into his grain rotation, Bennett decided to frost-seed red clover into his wheat every winter to supply crop nutrients and enhance soil quality. In the process, he reduced his fertilizer costs by more than half.

When starting out, Bennett had his own ideas, and he gathered information from other sources, but in the end, what dictated the changes he eventually decided to make? On-farm research.

"Through on-farm research," Bennett said, "farmers gain insights into their own production system and how to produce for maximum profit, not yields." The value in on-farm research is that it provides reliable information you know will make a difference.

"Until you do research, you're really only guessing," said Vicki Stamback, an Oklahoma cutflower producer who received a grant from USDA's Sustainable Agriculture Research and Edu-



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Research License Application Approval Process

- If conditionally approved, applicant has 15 days to remit applicable license fees
- Once license fees are received, the research license application shall be officially approved and the Department shall issue the appropriate licenses
- Copies of each license issued will be forwarded to appropriate law enforcement agencies
- Application are required to be submitted on an annual basis
 - For the 2019 growing season, the deadline is March 1
 - For other growing seasons, the deadline is November 30



State Advisory Board

- Members appointed by the Secretary of Agriculture
- Consists of no fewer than five and no more than nine members
- Reflect different geographic areas of the state equally, to the greatest extent possible
- Each member shall be recognized for knowledge and leadership in at least one of the following: crop research, industrial hemp production/processing, law enforcement, seed certification, or any other sector deemed important by the Secretary
- Terms:
 - Secretary will designate four members whose terms expire June 30, 2021, and the remaining on June 30, 2023
 - Limited to serving two terms
- State board will advise the Secretary regarding pilot projects and research proposals
- Other duties may include review of rules and regulations and recommended changes

State Educational Institution

- State educational institution research license required for those volunteers, students or employees wishing to conduct industrial hemp research
- Each individual with access to any research area must be listed on the research license application and pass the state and national criminal history record check
- Applications, including research proposals, are reviewed solely by the Secretary
- No fees imposed
- Cannot subcontract with an individual for land use



Fees Schedule

Fee Type	Program Fees	Fee Due Date	
Application Fee	\$200 (nonrefundable)	At time application is submitted	
License Fee – GROWER	\$1,000 License Fee	Within 15 days of receipt of notice of conditional approval	
License Fee - DISTRIBUTOR	\$2,000 License Fee	Within 15 days of receipt of notice of conditional approval	
License Fee – PROCESSOR	 License Fee per Processing End-Use Fiber Processor - \$3,000 (per processing facility or mobile processing facility) Grain Processor - \$3,000 (per processing facility ior mobile processing facility) Floral Material Processor - \$6,000 (per processing facility or mobile processing facility) NOTE: License holders working with multiple harvestable components will be required to pay a fee for EACH component. 	Within 15 days of receipt of notice of conditional approval	
Each license fee shall include one sample collection and one laboratory test			
Sampling Fee	\$45 per hour, plus transportation time and mileage		
Testing Fees	\$250 per laboratory test		
Modification Fee	\$750 per requested change to license previously issued		

Department of Agriculture

Pre-Harvest Inspection, Sample Collection, Testing, and Post-Testing Actions

- Licensee shall notify the department of harvest dates in pre-harvest report 30 days before harvesting
- Department shall collect a sample of industrial hemp and initial testing requires no payment or additional fees
 - Licensees can request separate samples be taken but requires additional sampling and testing fees
- Sample tested to determine delta-9-tetrahydro cannabinol concentration (THC)
 - Must be 0.3% or less to warrant a passing report of analysis
 - If higher than 0.3%, it warrants a failing report or analysis and testing results and location may be reported to KBI. If higher than 2.0%, testing results and location shall be reported to KBI
- Licensees shall receive a passing report analysis prior to harvesting and has 10 days to fully harvest industrial hemp after issuance of passing report of analysis
- If licensee receives a failing report of analysis:
 - Licensee may request a subsequent pre-harvest sample and pay sampling and testing fees or licensee shall destroy all industrial hemp within seven days

Post-Harvest Inspection, Sample Collection, Testing, and Post-Testing Actions

- The department may conduct inspections any time after harvest
- Same requirements and pre-harvest inspection
- If a sample is collected, the licensee must be issued a passing report of analysis to handle, condition, distribute, transport or process the sampled industrial hemp plants, plant parts, grain or seeds



Harvest Certificate

- No more than five days after the licensee completes harvest of industrial hemp, the licensee shall notify the department that harvest has been completed
- The department shall not issue a harvest certificate until the following information is provided:
 - The <u>official name of the industrial hemp variety</u> that was cultivated, planted or grown
 - Each date the licensee harvested the industrial hemp plants, plant parts, grain or seeds
 - The <u>global positioning system coordinates for each research</u> area where the industrial hemp was harvested
 - A statement of <u>intended end-use</u> for all industrial hemp harvested
- After harvest, a copy of the harvest certificate shall accompany the industrial hemp plants, plant parts, grain or seeds

Reports

- **Notice of Intent to Apply** Fall 2018, voluntary
- **Research License Application** Applicants
 - For the 2019 growing season, the deadline is March 1
 - For other growing seasons, the deadline is November 30
- **Field Planting Report** Licensed research growers within 15 days after every planting
- Voluntary Withdrawal Report Licensed research growers
 - On or before June 1 if no industrial hemp was planted or
 - Within 15 days if a licensee conducts a voluntary destruction
- **Pre-Harvest Report** Licensed research growers at least 30 days prior to intended harvest dates



Reports Continued

- **Production Report** Licensed research growers within 30 days after last harvest date for every harvest
- **Distribution Report** Licensed research distributors by November 30
- **Processing Report** Licensed research processors by November 30
- **Research Report** All licensees by November 30



Thank You

Plant Protection and Weed Control

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